

Woodleigh Nominees Pty. Limited

ABN 92 059 120 057

Partial Relinquishment Report Exploration Licence 31951

07/03/2018 to 06/03/2020

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History

EL 31951 was applied for to continue the exploration of the greater Francis Creek mine area to ascertain the potential for both hard-rock and alluvial gold. There was also the possibility that an alluvial or hard-rock tin resource may exist in the northern and southern regions of EL31951.

Little if any work has been done in the past to locate alluvial targets in the area. Alluvial resources appear to hold little interest for the larger operators.

Access

Access to EL31951 is variously achieved via the Kakadu Highway and bush tracks in the central area, also via the Francis Creek Iron ore mine. The Francis Creek Iron Deposits are located approximately 25km north of the Pine Creek township. A moderate condition gravel road heads north at a point 3km along the sealed Kakadu Highway from Pine Creek. This route is dependent on the activities and co-operation of Territory Resources, the operator of the mine site. There is an alternative route avoiding the mine site which skirts around the main water dam. This route would be impassable during the wet season.

There is an access route to the northern end of EL31951 which is via the now closed Mount Wells Battery. This route is via the Mary River Road and is can only be used by four-wheel drive vehicles due to the degraded nature of the road. This route is totally impassable to the trucks which would be required to carry drilling equipment into the area or large bulk samples out for testing.

The southern-most area can be accessed via the Old Stuart Highway and some bush tracks. Much of the area is difficult to traverse prior to the annual "burn off" as some of the annual grasses are virtually impenetrable due to the hidden hazards they may conceal. Rocks, stumps and ant hills are but a few of the hazards one might encounter.

Regional Geology

S. Bowden of Hamersley Iron in 2000, described the geology of the Francis Creek area as being located in the central region of the Pine Creek Geosyncline (PCG). This Early Proterozoic sedimentary basin covers an area of at least 66,000km², with the margins concealed by younger strata. The total PCG sequence is up to 14km thick and is considered to be an intracratonic structure formed as a result of rifting within the Archaean basement. The later Cullen Batholith (predominantly I- type granitoids) dated at 1800—1850 Ma intrudes throughout the PCG. Recent Upper Cretaceous to Middle Tertiary laterisation has occurred over most of the PCG.

Local Geology

Figure 4 shows the generalised stratigraphic column for the central region of the PCG. A brief description of the main units is included below. Figure 5 shows the local geology of the Francis Creek area and clearly shows the tight folding within the sedimentary units and the proximity of the granite intrusions.

Mason Formation (Pnm)

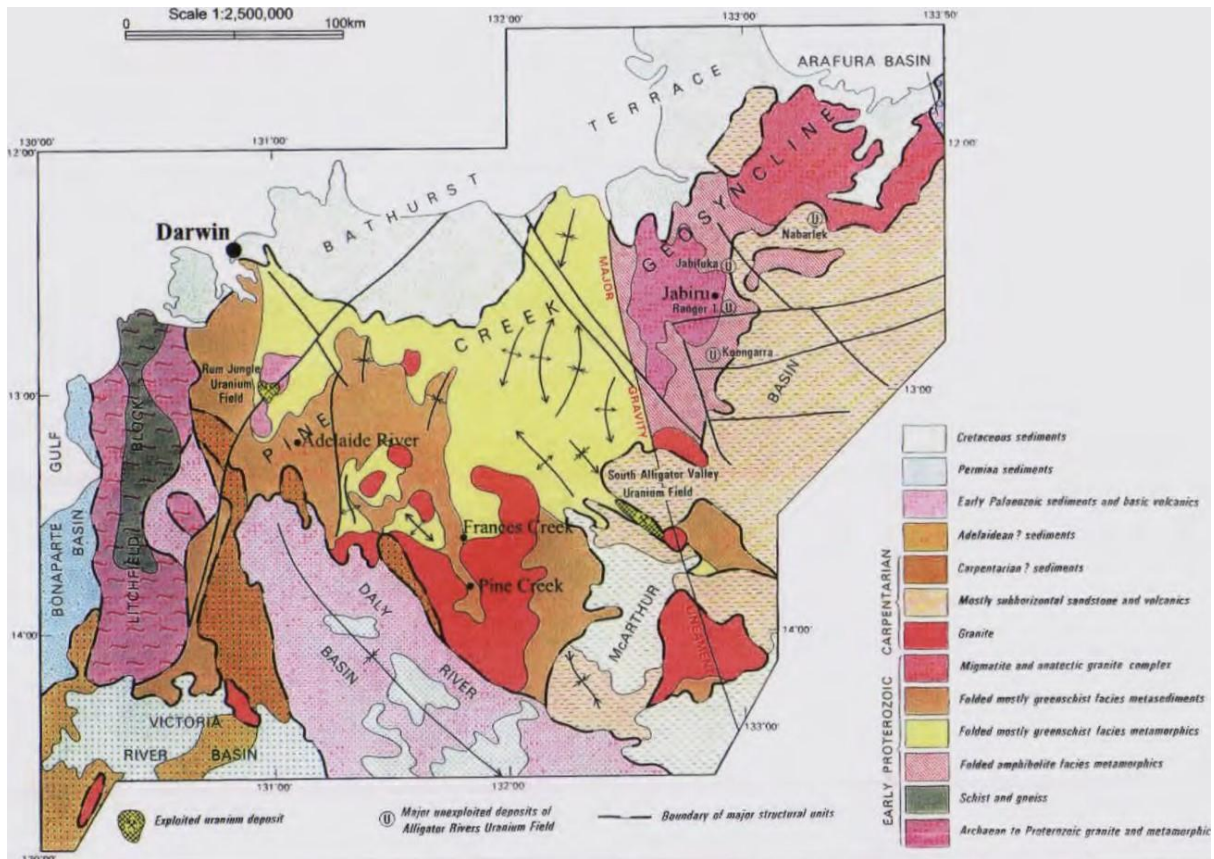
This unit is an approximate 1000m thick sequence of brown carbonaceous phyllite, slate, siltstone, quartzite and minor dolomites. This sequence appears to have been deposited in a low energy marine environment and unconformably overlies the Archaean granitic complexes and sediments. No significant mineralisation within this unit has been noted, although the low grade Francis Creek East Iron deposits are hosted by this unit.

Mundogie Sandstone (Ppm)

This unit unconformably overlies the Mason Fm and comprises a sequence of up to 500m thick coarse clastic sediments deposited in shallow marine and fluvial environments. The unit contains coarse to pebbly feldspathic quartzites, minor pebble conglomerates and some pelitic lenses. Minor occurrences of vein type Pb-Zn-Cu, Sn and Au occur regionally within this unit.

Wildman Siltstone (Ppw)

This unit is at least 750m thick and consists of mainly red, brown and grey pelitic sediments with minor sandstone (10%). Informally the unit has been divided into two members. The lower sequence (400m thick) is composed of carbonaceous phyllite, ironstone, siltstone and phyllite. At depth most of the strata is pyritic and carbonaceous. The ironstone lenses and some altered basic tuff units contain the main Francis Creek Iron Deposits. The upper sequence (350m thick) is composed of phyllite, siltstone and carbonaceous phyllite, with minor sandstone also present. Mineral deposits identified within the Wildman Siltstone include stratiform (?) Fe and veins of Au, Sn and Pb-Zn-Cu.



Previous Exploration

Previous exploration work in the area of EL31951 has targeted a variety of minerals including iron, gold, uranium and tin.

Exploration work completed

Exploration work completed in the last year was focused on the alluvial potential of the area rather than proceed with seeking drill targets.

In the field a little time was spent repairing some of the access tracks washed out by previous wet season. Further prospecting was conducted with the aim of locating possible alluvial test sites. Attention returned to several sites in the Nellie Creek area (thought to be the old Nellie Creek tin mine) which showed a small amount of tin mineralisation previously. Again some of the dish concentrate was ground in a steel prospectors' dish, where upon it changed from black to a light straw colour which is an indication of the presence of tin. As before there were other minerals present as well which clouded the exercise. A further test was to isolate the material considered to be tin into a glass container with concentrated hydrochloric acid and a zinc strip. The expected result is that the tin minerals will take on a

silver colour. This did occur but the quantity of matter that changed colour was varied. This is an “old school” field test which is quick and easy giving an instant result.

Ten samples of approximately twenty loose litres each were collected from as many 200mm diameter auger holes. A twenty-litre bucket was used as a measure. A swell factor of 25-30% appeared to remain constant. This is relevant for future reference as an alluvial mining operation usually calculates the throughput in cubic volume per hour rather than by weight.

The samples were reduced to a slurry and screened to minus 1 millimetre and plus 6 millimetres giving three size fractions. The two plus 1 millimetre fractions were examined for course gold with none found. The undersize fraction was treated with two “gold wheels” operating in series to produce a “rough” concentrate. The concentrate was then reduced further by washing in a prospector’s dish.

Given the size of the sample and the fact that a workable alluvial grade can be as low as 0.3 grammes per cubic metre, the quantity of gold in a sample is in the order of 0.03 grammes. The influence of course gold can have a significant influence of the results obtained. Larger samples are required to provide a more accurate definition of the values contained in an area. The old adage of “it’s OK if you can see it in the dish” is still true enough but it will not translate into what might be considered a scientific report.

The northern area of EL31951 was revisited and random dish sampling in the area demonstrated spasmodic results once again for tin and gold. Larger samples are required as on occasion a repeat sample from the same site gave a different result.

The erratic results obtained and the fact that EL29862 had finally been transfer to Woodleigh it was decided to relinquish the bulk of EL31951 and only retain the small area to the east of the Francis Creek mine site. No work was undertaken in the area retained.

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